Government of Saskatchewan

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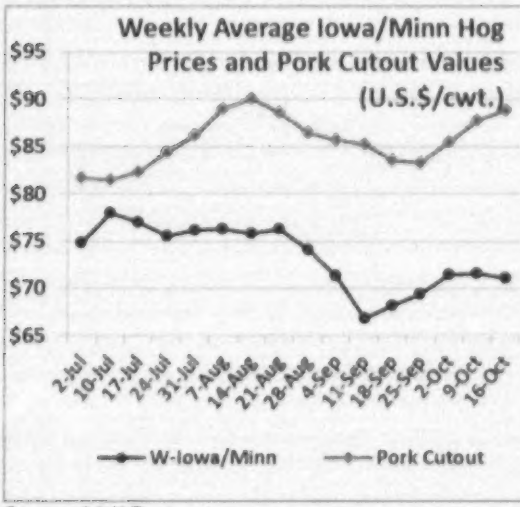
Weekly Hog Report

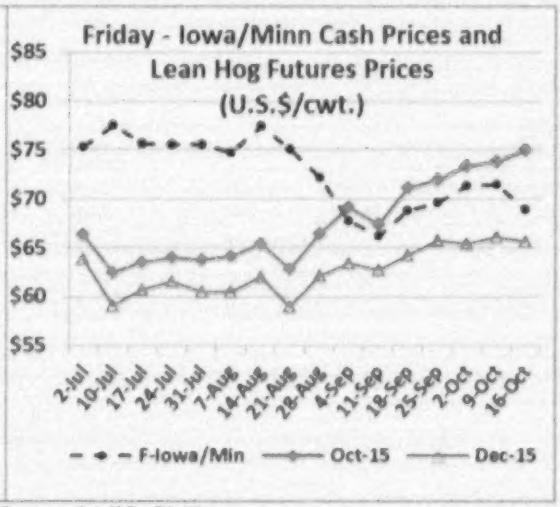
October 19, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were steady early in the week but declined over US$2 per cwt on Friday to end the week lower, week-over-week. Hog prices on Friday October 16 averaged US$68.82 per cwt, down US$2.60 per cwt or 3.6 per cent from US$71.42 per cwt the previous Friday. The negotiated base price last week averaged US$71.07 per cwt, down US$0.51 per cwt from US$71.58 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

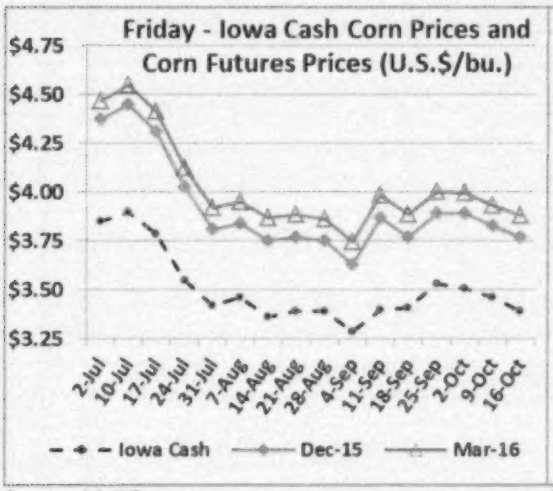
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Oct. 16, 2015 was $166.04 per ckg, down $4.02 per ckg or 2.4 per cent from $170.06 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $169.55 per ckg, down $1.76 per ckg or 1.0 per cent from the previous weeks' average price of $171.31 per ckg. The Canadian dollar edged higher last week increasing 0.15 cents to close Friday at 77.45 cents; up from the previous Friday's close of 77.30 cents.

Futures Markets

United States Lean hog futures daily prices were mixed last week. The nearby October contract increased US$1.155 per cwt to expire Friday at US$74.980 per cwt, while the December contract declined US$0.55 per cwt to settle Friday at US$65.575 per cwt. Current cash hog prices are below the October lean hog futures contract, but over $3 per cwt higher than the December futures contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$36.73 per head, US$1.94 per head higher from US$34.79 per head the previous week. Feeders (40lb) were US$47.10 per head, up $2.95 per head from US$44.15 per head the previous week.



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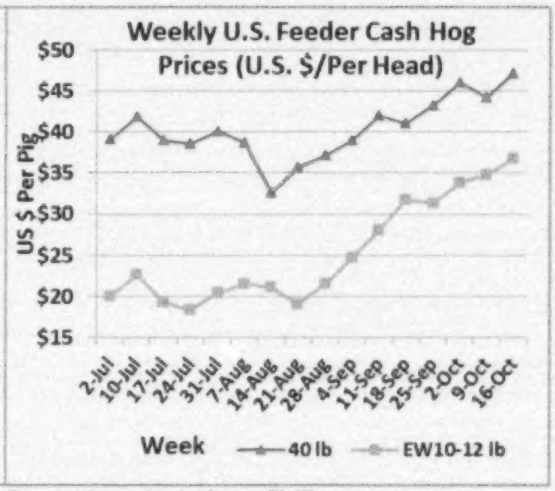


Source: Iowa Agriculture, CME

Iowa cash corn prices continued lower week-over-week, declining seven cents to settle Friday at US$3.39 per bushel. Corn futures prices declined later in the week to also end the week lower, week-over-week. The December corn futures contract declined six cents over the week to settle Friday at $3.76¾ per bushel, while the March 2016 contract declined almost six cents to settle Friday at $3.87¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 17 were estimated at 2.318 million head, up 1.2 per cent from 2.290 million head the previous week, and up 6.1 per cent from 2.184 million head the same week a year ago. Weekly hog slaughter numbers were the highest last week since December 2013. Weekly pork production was estimated at 486.7 million lb. last week, the highest weekly production since February 2015. Lower hog weights in 2015 have helped reduce pork production increases relative to increased hog slaughter numbers. Average live hog weights are currently about five pounds lighter than the same week a year ago. U.S. hogs slaughtered over the last four weeks ending October 17 averaged 2.290 million head per week, up 7.7 per cent from 2.126 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 10, 2015 were estimated at 411,103 head, down 3.9 per cent from 427,630 head the previous week, but up 0.9 per cent from 407,589 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 10, 2015, were estimated to average 419,241 head, up 2.3 per cent from 409,926 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 16.379 million head, up 2.7 per cent from 15.945 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending October 17, 2015 was estimated at 486.7 million lb., up 1.3 per cent from 480.4 million lb. the previous week, and up 4.2 per cent from 467.1 million lb. the same week a year ago. Pork production over the last four week's ending October 17 was estimated to average 480.9 million lb., up 6.1 per cent from 453.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 17 was estimated at 488.4 million lb., up 3.5 per cent from 471.9 million lb. the previous week, and up 5.2 per cent from 464.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 10, 2015, was estimated to average 2.087 billion lb., up 4.0 per cent from 2.007 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.7 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Oct. 10) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	444.5	479.1	7.8%	7.9%
Beef	469.8	483.0	2.8%	-3.3%
Chicken	951.9	1,002.4	5.3%	6.6%
Turkey	141.2	123.0	-12.9%	-4.5%
Total	**2,007.4**	**2,087.5**	**3.99%**	**3.73%**

Source: LMIC

Foreign Agricultural Service of the USDA released the October 2015 Livestock and Poultry, World Markets and Trade Report. Global pork production for the primary producing countries for 2016 was forecast as 111.962 million metric tons, up 0.5 per cent from 2015 which was projected at 111.458 million metric tons. While global pork production was forecast to remain relatively stable from 2015, which included China; the larger increases are forecasted from Russia (+5.7%) and the United States (+1.4%).

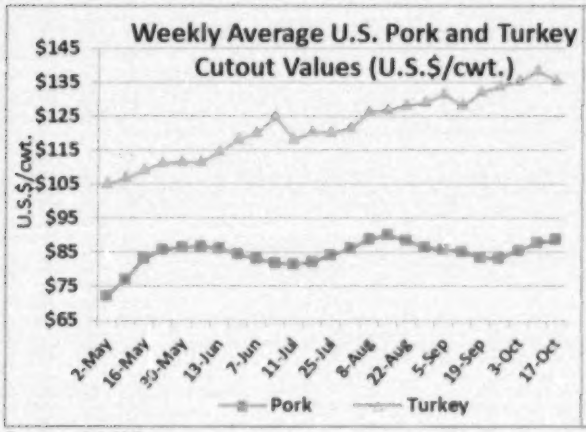
http://apps.fas.usda.gov/psdonline/circulars/livestock_poultry.pdf

Cutout Values

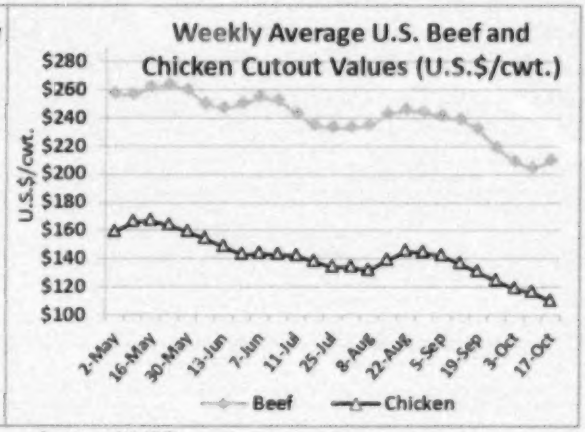
U.S. pork cutout values for the week ending October 17, 2015 averaged US$88.79 per cwt, up US$1.08 per cwt or 1.2 per cent from US$87.71 per cwt the previous week, but down 23.5 per cent from US$116.10 per cwt from a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 17, 2015 averaged US$209.46 per cwt, up US$5.79 per cwt or 2.8 per cent from US$203.67 per cwt the previous week, but down 16.0 per cent from US$249.26 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 17, 2015 averaged US$109.95 per cwt, down US$6.53 per cwt from US$116.48 per cwt the previous week, and down 36.5 per cent from US$173.07 per cwt the same week a year ago.



Source: LMIC



Source: LMIC

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